UNITED STATES DISTRICT COURT WESTERN DISTRICT OF NORTH CAROLINA CHARLOTTE DIVISION DOCKET NO: 3:19-CV-00272-MOC-DSC

PHILIPS NORTH AMERICA, LLC,)	
Plaintiff,)	
vs.)	ORDER
DALE E. DOROW and WILLIAM M. GRISWOLD,)))	ORDER
Defendants.)	

THIS MATTER is before the Court on Defendants' Motion to Dismiss Plaintiff's Complaint (Doc. No. 14). Having considered the motion, the Court enters the following Order.

I. BACKGROUND AND DISCUSSION

Plaintiff Philips North America develops and sells medical imaging systems containing proprietary software. In July 2017, Plaintiff and its affiliates sued Transtate Equipment Company and its affiliates in the United States District Court for the Northern District of Georgia, alleging they "misappropriated trade secret information from Philips to circumvent access controls on Philips's medical imaging systems to gain unauthorized access to Philips's software to unfairly compete against Philips." Philips Med. Sys. Nederland B.V. v. TEC Holdings, Inc., No. 1:17-cv-02864 (N.D. Ga), Doc. No. 1, at 2. Fact discovery commenced for that lawsuit in April 2018 and was scheduled to conclude in May 2019, but discovery continues. See id., Doc. No. 170.

During discovery, Plaintiff purportedly obtained evidence which revealed that Defendants

Dale Dorow and William Griswold "provided information acquired from their former Philips

employment to Transtate, including without limitation, trade secret information about how to gain

unauthorized access to software tools on Philips' [proprietary] systems, . . . secret Philips'

documents, and . . . internal Philips' stand-alone software tools for servicing Philips' [proprietary]

systems." (Id. ¶ 44). Plaintiff thus filed the instant suit against Defendants, alleging Defendants

"breached [non-disclosure] Agreements with Philips, misappropriated Philips' trade secrets, and

deceptively and unfairly competed against Philips." (Doc. No. 1 ¶ 7).

On July 25, 2019, Defendants filed the instant motion to dismiss and a memorandum of

law supporting dismissal. (Doc. Nos. 14–15). In turn, Plaintiff filed a response opposing dismissal

on August 19, 2019. (Doc. No. 21). Finally, on September 3, 2019, Defendants filed a reply.

(Doc. No. 22). This matter is now ripe for disposition.

The Court will deny Defendants' motion to dismiss at this time and hold it under

consideration pending further development of the record and summary judgment motions.

II. CONCLUSION

Defendants' motion to dismiss is denied, pending further development of the record, and

the Court will issue a ruling after discovery and the parties' filing of summary judgment motions.

ORDER

IT IS, THEREFORE, ORDERED that:

(1) Defendants' Motion to Dismiss Plaintiff's Complaint (Doc. No. 14) is

DENIED.

Signed: October 8, 2019

Max O. Cogburn Jr United States District Judge